

Message

From: Simon, Karl [Simon.Karl@epa.gov]
Sent: 1/20/2022 6:51:28 PM
To: Koester, Christine [koester.christine@epa.gov]
Subject: RE: Rebate program IG investigation

I have not heard anything back but was not necessarily expecting to so think it is ok to go ahead and get back to the OIG. Just check in with Julia first as I have vague recollection that the IO tracks IG engagements. You can tell her I let Sarah know already if it comes up. thx

From: Koester, Christine <koester.christine@epa.gov>
Sent: Tuesday, January 18, 2022 3:05 PM
To: Simon, Karl <Simon.Karl@epa.gov>
Subject: RE: Rebate program IG investigation

Has Sarah said anything on this yet? If not, can you please bring this up with her again so we can pass our concurrence onto OIG? Thanks

From: Simon, Karl <Simon.Karl@epa.gov>
Sent: Saturday, January 8, 2022 4:49 PM
To: Dunham, Sarah <Dunham.Sarah@epa.gov>
Cc: Moltzen, Michael <Moltzen.Michael@epa.gov>; Koester, Christine <koester.christine@epa.gov>; Henning, Julie <henning.julie@epa.gov>
Subject: Rebate program IG investigation

Sarah,

Ex. 7(E) the IG has been investigating an instance of fraud associated with a school bus rebate. The details are in Christine's note below. Jason and Faye have been in touch with the IG staff to provide details of the program, and the investigation has reached the point where the IG, DOJ and the school district are ready to move ahead with a settlement, which seems appropriate for the violation. In addition to the IG's suggestions for how to address future violations, we are planning to use this case to put additional information on the school bus web page to make sure people are aware that in addition to our own audits the Agency will be engaged in making sure allocated funds are spent appropriately. Let us know if you have any questions. Thanks

Karl

From: Koester, Christine <koester.christine@epa.gov>
Sent: Friday, January 7, 2022 8:16 PM
To: Simon, Karl <Simon.Karl@epa.gov>
Subject: Rebate program IG investigation

Hi Karl,

Info about the rebate program fraud and settlement for review by you and Sarah. Faye and Jason attended a meeting with the IG on Tuesday to discuss the case. We asked the IG if they could think of any ways to prevent this particular circumstance in the future, and their only suggestion was that a video of the scrappage might provide more context than photos.

We'd like to send the following language since they're looking for the program's opinion of the settlement before finalizing.

Thank you for detailing this settlement and responding to questions on the call on 1/4/2022. We look forward to your follow-up on the outcome of the \$25,000 in returned DERA funds and whether those funds will come back to our program so we can put them to use in a separate emissions reduction project. We have no additional concerns about the settlement and appreciate the work that you and many others have put into this case.

Details of the case:

- Washington County School District in Utah received a 2016 rebate to replace 10 buses for \$25,000 each.
- To receive the rebate payment from EPA, schools must scrap old buses (drill hole in engine and cut chassis). Rebate selectees submit required scrappage photos and a scrappage certification letter.
- The school district properly scrapped and submitted paperwork for 9 buses.
- For the 10th bus, an individual working in the maintenance department sold the engine for \$500 to purchase new tools for the school district.
- The school district submitted paperwork demonstrating scrappage of the 10th bus, but it was actually photos of an already decommissioned bus.
- EPA paid the school district \$250,000 for the 10 bus replacements.

Ex. 7(E)